

UNITED PRESS INTERNATIONAL  
10 February 1987

~~GATES SAID TO ACCUSE CIA EMPLOYEE OF LYING~~  
~~BY NEIL ROLAND~~  
WASHINGTON

Acting CIA Director Robert Gates told Congress last week that a CIA employee lied in telling investigators that he and Lt. Col. Oliver North played no role in funneling arms to Nicaraguan rebels last year, government sources said Tuesday.

Questions about the candor of the agency's station chief in Costa Rica prompted Gates to reopen an internal investigation of the operative's pro-Contra activities with North, the sources said.

A It was disclosed last week that the CIA station chief, known by the pseudonym Tomas Castillo, also is being recalled to Washington and required to retire early.

Castillo worked closely with former White House aide North to coordinate four shipments of 500,000 tons of ammunition from a private aid network to Contra rebels in southern Nicaragua in April 1986, congressional and rebel sources said.

A source said Gates told congressional investigators last week, "'Castillo lied on the first inspector general report when he said he had no involvement in giving arms to the Contras.'"

The inspector general, the CIA's internal watchdog, began an investigation last fall of possible CIA involvement in funneling aid to the Contras at a time when U.S. military assistance had been banned by Congress.

The agency was permitted to share military intelligence with the Contras.

North was fired Nov. 25 when Attorney General Edwim Meese revealed that North had engineered the diversion of profits from U.S. arms sales to Iran to the Contras through secret Swiss bank accounts.

Congressional and administration sources have said Castillo kept his supervisor and North fully apprised of his pro-Contra activities.

Earlier this week, the sources alleged the CIA was taking disciplinary action against him to insulate senior officials from the controversy.

Government sources said Tuesday it is unclear whether Castillo had violated any law but Gates had reopened the internal inquiry begun last fall to further explore Castillo's role.

Questions about Castillo's veracity during the inquiry begun last fall were prompted by the FBI's discovery of an electronic message from North in which he described his work with Castillo to coordinate arms shipments, an intelligence source said.

The FBI discovered the communication in a master computer disk at the National Security Council and forwarded it to the presidentially appointed Tower Commission now reviewing NSC procedures as a result of the Iran-Contra arms affair, the source said.

He said the commission, in turn, referred the message to the CIA.

*Continued*

Gates, who on Feb 2 was nominated by President Reagan to succeed the hospitalized William Casey, is scheduled to appear at a Feb. 17 confirmation hearing before the Senate Intelligence Committee.

CIA spokeswoman Sharon Foster would not say where Castillo could be reached. She said it was CIA policy not to discuss comments -- such as Gates' reported remarks -- that were made in closed session.

Administration and congressional sources said they could not understand why Castillo did not tell internal investigators that he operated with approval from his supervisor, the task force chief in Central America, in conveying information about Sandinista positions to the private aid network.

The information allowed cargo planes to pinpoint where and when to drop weapons to the rebels.

Castillo previously was disciplined in 1984 for his role in preparing a manual for rebels that called for assassination of Sandinista officials. Casey made the decision not to punish two senior CIA officials who planned and approved the manual, Rep. Norman Mineta, D-Calif., told United Press International last week.

One intelligence source said Castillo responded to questions from the inspector general's office "very narrowly and with lack of candor."

"When the inspector general asked questions about his relationship with North," the intelligence source said, "Castillo withheld information in a way that could be interpreted as misleading."

Castillo worked with two Cuban-Americans to coordinate ammunition supplies to regional commanders in an attempt to lure them away from their moderate leader, Eden Pastora, congressional sources said.

One source said the Cuban Americans, Rene Corbo and Felipe Vidal, "wined and dined" the seven commanders at a "posh" Contra safe house in San Jose, Costa Rica after the weapons drops and ultimately persuaded most of them to abandon Pastora.

Corbo and Vidal had identified themselves as CIA employees to the rebel commanders, whose soldiers were "starved" for supplies, the source said.

North and the CIA resented Pastora, who had resigned from the Sandinista government, because the popular rebel leader refused to bow to their demands on how to conduct a guerrilla war, congressional and rebel sources said.

North's lawyer could not be reached for comment.